

WILMER, CUTLER & PICKERING

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4-027A089

ALLEN H. HARRISON, JR.

DIRECT LINE (202)

872-6093

RECORDATION NO. 9756-44
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JAN 27 1984 1 35 PM

INTERSTATE COMMERCE COMMISSION
January 27, 1984

No.

Date JAN 27 1984

Fee \$ 60.00

Dear Mr. Bayne:

On behalf of Itel Rail Corporation, I submit for filing and recording, under 49 U.S.C. § 11303(a) and the regulations promulgated thereunder, the enclosed four executed counterparts of Sublease Agreement.

The enclosed Sublease Agreement is a primary document that relates to the Lease Agreement of April 26, 1978 between Itel Rail Corporation as successor in interest to Itel Corporation, Rail Division, and East Camden and Highland Railroad Company, which was filed and recorded with the ICC on October 11, 1978 at 3:45 P.M., under Recordation No. 9756. Please file the Sublease Agreement under Recordation No. 9756 under the next available letter.

The parties to the Sublease Agreement are as follows:

East Camden and Highland Railroad Company - Sublessor
Box 3180
East Camden, Arkansas 71701

Green Bay and Western Railroad Company - Sublessee
2155 Hutson Road
Green Bay, Wisconsin 54306

The said Sublease Agreement is a sublease by East Camden (the Lessee under the Lease Agreement mentioned above) to Green Bay of up to fifty boxcars. The Sublease Agreement has the consent of the original Lessor (Itel Rail Corporation, successor in interest to Itel Corporation).

The equipment covered by the Sublease Agreement is fifty (50) 50'60" long, general purpose boxcars, AAR mechanical designation XM, bearing reporting marks GBW 10050-10099. These units have been taken from the series EACH 2351-2500 in the above-mentioned Lease Agreement.

Robert Cronk
C. Cunningham

Please cross-index this filing under the name of the Sublessee, Green Bay and Western Railroad Company.

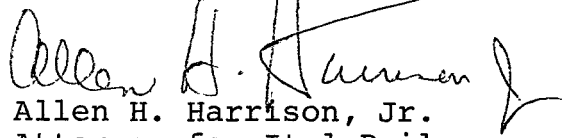
Enclosed is \$50 to cover the required filing fee for this document and \$10 to cover the requested cross-indexing fee.

A short summary of the document to appear in the Index is as follows:

"Fifty Boxcars numbered GBW 10050-10099 taken from Series EACH 2351-2500"

Once the filing has been made, please return to bearer the stamped counterparts of the Sublease Agreement not required for filing purposes, together with the fee receipt, the letter from the ICC acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,


Allen H. Harrison, Jr.
Attorney for Itel Rail
Corporation for the
purpose of this filing

Honorable James H. Bayne
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Enclosures

AHH/iw

BY HAND

Interstate Commerce Commission
Washington, D.C. 20423

1/27/84

OFFICE OF THE SECRETARY

Allen H. Harrison, Jr. Atty.
Wilmer, Cutler & Pickering
1666 K. Street, N.W.
Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **1/27/84** at **1:35pm** and assigned re-recording number(s). **9756-H**

Sincerely yours,

James H. Bayne
JAMES H. BAYNE

Secretary

Enclosure(s)

SE-30
(7/79)

L-0224
10/20/83

RECORDATION NO. 9756-14 Filed 1983

JAN 27 1984 - 1 25 PM

SUBLEASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS SUBLEASE AGREEMENT (the "Sublease"), made as of this 6th day of October, 1983, between EAST CAMDEN AND HIGHLAND RAILROAD COMPANY, an Arkansas corporation, Box 3180, East Camden, Arkansas, 71701 as the sublessor ("Sublessor") and GREEN BAY AND WESTERN RAILROAD COMPANY, a Wisconsin corporation, 2155 Hutson Road, Green Bay, Wisconsin 54306, as the sublessee ("Sublessee").

W I T N E S S E T H :

WHEREAS, Sublessor is the lessee and IteL Rail Corporation as successor in interest to IteL Corporation, Rail Division ("IteL Rail") is the lessor under that certain Lease Agreement dated as of April 26, 1978 (the "Agreement"), pursuant to which IteL Rail leased to Sublessor three hundred fifty (350) fifty-foot (50') boxcars and one hundred fifty (150) sixty-foot (60') boxcars described therein; and

WHEREAS, Sublessor desires, with the consent of IteL Rail, to sublease up to fifty (50) of the fifty-foot (50') boxcars bearing reporting marks within the series EACH 2351-2500 to Sublessee.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties hereto agree as follows:

1. Scope of Sublease

- A. Sublessor agrees to sublease to Sublessee, and Sublessee agrees to sublease from Sublessor upon the terms and conditions set forth herein, up to fifty (50) boxcars of the description set forth in the schedule executed by the parties concurrently herewith or hereafter and made a part of this Sublease. The word "Schedule" as used herein includes the Schedule or Schedules executed herewith and any additional Schedules and amendments thereto, each of which when signed by the parties shall be a part of this Sublease. The scheduled items of equipment are hereinafter called collectively the "Cars" and each individual scheduled item of equipment is hereinafter called a "Car".
- B. It is the intent of the parties to this Sublease that Sublessor shall at all times be and remain the Sublessor of all Cars. Sublessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and it will take such action and execute such documents as may be necessary to accomplish this intent.

2. Term

- A. This Sublease shall remain in full force until it is terminated as to all of the Cars as provided herein. The term of the Sublease with respect to each Car described on each Schedule shall commence at 12:00 P.M.

on the date and at the location that such Car is remarked, pursuant to Section 3.A. hereof, and shall expire as to all the Cars described on each Schedule one (1) month from the date on which the first Car on each Schedule was remarked ("Initial Term").

- B. If this Sublease has not been earlier terminated and no unremedied default has occurred, pursuant to Section 9, this Sublease shall automatically be extended for consecutive periods of one (1) month each ("Extended Terms") with respect to all of the Cars described on each Schedule; provided, however, that Sublessor or Sublessee may terminate this Sublease at the end of the Initial Term or any Extended Terms as to all, but not fewer than all, of the Cars on the Schedules by written notice delivered to the other not less than thirty (30) days prior to the end of the Initial Term or any Extended Terms.

3. Supply Provisions

- A. Sublessee hereby approves the specifications of the Cars delivered to it by Sublessor. Sublessor shall, at ^{Sublessee} expense, restencil the Cars with the railroad markings of Sublessee in compliance with all applicable regulations. Each Car shall be deemed delivered and subject to the terms and provisions of this Sublease at 12:01 P.M. on the date and at the location such Car is restencilled ("Delivery"). ^{Subsequent} to restencilling, the Cars shall be moved to Sublessee's railroad line at no cost to Sublessor as soon as is consistent with mutual convenience and economy. Notwithstanding that Sublessee may not have immediate physical possession of the Cars leased hereunder, Sublessee agrees to pay the rent set forth in this Sublease. To move the Cars to Sublessee's railroad line and to ensure optimal use of the Cars after the Initial Loading (as hereinafter defined), Sublessor agrees to assist Sublessee in monitoring Car movements and, when deemed necessary by Sublessee and Sublessor, to assist in the issuance of movement orders with respect to such Cars to other railroad lines in accordance with Interstate Commerce Commission ("ICC") and Association of American Railroads ("AAR") interchange rules. If Sublessor incurs expenses in having other railroads move Cars in accordance with this Section and with Sublessee's approval, except for any expenses incurred in the initial delivery of such Cars to Sublessee's railroad line pursuant to this Section, Sublessee shall reimburse Sublessor for such expenses within ten (10) days of receipt of invoice from Sublessor. For the purposes hereof, the term "Initial Loading" as to each Car, shall be the earlier to occur of either (1) the date such Car shall have been loaded off Sublessee's railroad line with the first load of freight, or (2) the thirty-first (31st) day after such Car is delivered pursuant to this Section.
- B. Sublessee shall load the Cars leased from Sublessor prior to loading any boxcars leased by or assigned to Sublessee from other parties, purchased by Sublessee subsequent to the date of this Sublease, or interchanged from other railroads; provided, however, that this shall in no event prevent or prohibit Sublessee from fulfilling its obligations to provide transportation and facilities upon reasonable request therefor.

4. Record Keeping

- A. Sublessee shall, at its expense, and with Sublessor's assistance, prepare and file, with respect to the Cars, all documents relating to the registration, maintenance and record keeping functions normally performed by a railroad with respect to railroad equipment of the type subject to this Sublease. Such matters shall include, but are not limited to the following: (i) preparation of appropriate AAR interchange agreements with respect to the Cars; (ii) registration of the Cars in the Official Railway Equipment Register and the Universal Machine Language Equipment Register ("UMLER"); and (iii) preparation of any reports as may be required from time to time by the Interstate Commerce Commission ("ICC") and/or any other regulator agencies with respect to the Cars. Sublessee shall register each Car in UMLER in such a manner that Sublessor, or its agent, is allowed access to any required information with regard to each Car. In addition, Sublessee shall be responsible for any expenses incurred and rent lost as the result of any improper UMLER registration.
- B. Sublessee shall perform all record keeping functions relating to the use of the Cars by Sublessee and other railroads, including but not limited to, car hire reconciliation, collection and receipt of Revenues (as hereinafter defined in Section 7) from other railroad companies, maintenance and repair, and billing in accordance with the AAR Interchange Rules ("Interchange Rules"). All record keeping performed by Sublessee hereunder and all records of payments, charges and correspondence related to the Cars shall be separately recorded and maintained by Sublessee in a form suitable for reasonable inspection by Sublessor from time to time during Sublessee's regular business hours. Upon Sublessor's reasonable request, Sublessee shall supply Sublessor daily telephone reports of the number of Cars in Sublessee's possession or control.

5. Maintenance, Tax and Insurance

- A. Except as otherwise provided herein, Sublessor shall, at its expense, perform or have performed all inspections of, maintenance and repairs to, and servicing of the Cars as shall be necessary to maintain the Cars in good operating condition as specified in the Interchange Rules, provided, however, that such repair, maintenance and servicing shall be performed at Sublessee's expense in the event it was occasioned by the fault of Sublessee, or arises in those instances in which the Interchange Rules would assign responsibility to Sublessee for the loss, damage, destruction or liability requiring such repair, maintenance or servicing. Sublessee shall, at its expense, inspect all Cars interchanged to it to insure that such Cars are in good working order and condition and Sublessee shall be liable to Sublessor for any repairs required for damage not noted at the time of interchange. Sublessee shall use its best efforts to minimize any damages to the Cars which may be caused by any shipper on Sublessee's railroad line.

- B. Sublessor shall also make, at its expense, all alterations, modifications or replacement of parts as shall be necessary to maintain the Cars in good operating condition. Sublessee may make running repairs to facilitate continued immediate use of each Car, but shall not otherwise make any repairs, alterations, improvements, or additions to any Car without Sublessor's prior written consent. Sublessee shall be liable to Sublessor for any revenues lost due to any unauthorized repair, alterations, improvement or addition. Title to any such alteration, improvement or addition shall be and remain with Sublessor.
- C. As long as this Sublease shall remain in effect, Sublessee shall be responsible for the Cars (i) while in Sublessee's possession or control, and (ii) in the same manner that Sublessee is responsible under Interchange Rules for similar equipment not owned by Sublessee. Sublessee shall, at all times while this Sublease is in effect, at its own expense, cause to be carried and maintained (a) all risk physical loss or damage insurance with respect to the Cars while on Sublessee's tracks or in Sublessee's care, custody or control; and (b) public liability insurance with respect to third party personal injury and property damage, in each case in such amounts and for such risks and with such insurance companies which are satisfactory to the Sublessor. Sublessee shall furnish to Sublessor concurrently with execution hereof, and thereafter at intervals of not more than twelve (12) calendar months, certificates of insurance evidencing the aforesaid insurance. Sublessor shall have the right to obtain a Certified Copy of each insurance policy upon written request to the Sublessee. All insurance shall be taken out in the name of Sublessee and shall name Itel Rail and any assignee of Itel Rail as additional named insureds and shall also list Itel Rail and any assignee of Itel Rail as loss-payees on the insurance policies. Said policies shall provide that Itel Rail and any assignee of Itel Rail shall receive thirty (30) days prior written notice of any material changes in coverage or cancellation thereof. In the event that Sublessee fails to place insurance, or said insurance expires, Sublessor has the right to purchase insurance to protect all interested parties and bill the cost to Sublessee. With respect to the additional insureds, Sublessee's insurance policies shall be primary to any other valid and available insurance ("Other Insurance") effected by, or for, the additional insureds. Sublessee's insurer specifically agrees to waive subrogation and/or claim and/or recovery with respect to any Other Insurance. Each policy obtained by Sublessee pursuant to this Section shall be in accordance with the above terms and conditions, and such terms and conditions shall be evidenced on the Certificate of Insurance provided to the Sublessor. In the event, and with Sublessor's written approval, Sublessee shall be permitted to self-insure on any specified interests, the Sublessee hereby warrants to place the Sublessor in the same position as if the relating insurance had been effected. Any and all deductibles in the described policies shall be assumed by the Sublessee.
- D. Within thirty (30) days from Sublessor's receipt of the receipted copy of the paid tax bill, Sublessor agrees to reimburse Sublessee for all taxes actually paid in cash by the Sublessee resulting from (1) ad valorem tax assessments on the Cars; and (2) any assessment, levy or impost relating to each Car, the Sublease or the delivery of the Cars which remained unpaid as of the date of the delivery of the Cars to Sublessee or which

are assessed, levied or imposed during the term of this Sublease, except taxes on income imposed on Sublessee, or sales and use tax imposed on the mileage charges and/or car hire revenue or sale or lease of the Cars. Sublessor and Sublessee will comply with all state and local laws requiring filing of ad valorem tax returns associated with the Cars. Notwithstanding any portion of this Section, Sublessor shall not be responsible for penalty or interest assessments resulting from Sublessee's failure to comply with any regulation or statute of any city, county, state or other taxing or assessing authority. Sublessee shall forward to Sublessor upon receipt all correspondence, notifications of proposed tax assessments and tax bills associated with any tax reimbursable by Sublessor. Sublessor may, in good faith and by appropriate proceedings, contest any assessment, notification of assessment or tax bill. Sublessor shall assume full responsibility for all expenses including legal fees resulting from such contest.

6. Storage

As long as there is sufficient room on Sublessee's railroad tracks, and if deemed necessary by Sublessor and Sublessee, Sublessee shall, at its expense, store the Cars on its railroad tracks. In the event that Sublessee's capacity to store any or all of the Cars on Sublessee's railroad tracks is impaired at any time, then Sublessee shall be responsible for the following: (1) all reasonable transportation costs incurred to move the Cars to a storage location; (2) all reasonable transportation costs incurred in removing the Cars from the storage location; and (3) the actual costs incurred for the storage of any or all of the Cars. If Sublessor pays for any costs referred to in this Section, Sublessee shall reimburse Sublessor for such cost within ten (10) days from Sublessee's receipt of Sublessor's invoice. Sublessor shall assist Sublessee so as to minimize Sublessee's exposure under this Section.

7. Lease Rental

A. Definitions

- (i) "Revenues" shall be the total revenues earned and due from other railroad companies for the use or handling of the Cars, whether or not collected and received by Sublessee and without regard to any claimed abatement, reduction or offset, provided, however, that upon the occurrence of any such abatement, reduction or offset, Sublessee shall, within ten (10) days of Sublessor's request, reimburse Sublessor for any such amounts.
- (ii) The "Utilization Rate" of the Cars shall be determined by a fraction, the numerator of which is the aggregate number of days in each calendar year that Revenues were earned on the Cars commencing from the Initial Loading, and the denominator of which is the aggregate number of days in each calendar year that the Cars are on lease to Sublessee, commencing from the Initial Loading.

- (iii) The "Base Rental" shall be defined as the sum equal to the Revenues which the Cars would have earned in the aggregate at a Utilization Rate of forty (40) percent.
- B. As to all mileage revenues earned, sublessor shall receive all Revenues earned, by the Cars prior to their Initial Loading. Each Car delivered pursuant to Subsection 3.A. shall become subject to the rental calculation under Subsection 7.C. upon the Initial Loading of such Car.
- C. Sublessee agrees to pay the following rent to Sublessor for the use of the Cars:
 - (i) In the event that Revenues in any calendar year or applicable portion thereof are equal to or less than the Base Rental, Sublessee shall pay to Sublessor a sum equal to one hundred (100) percent of the total Revenues, except as provided below.
 - (ii) In the event Revenues earned in any calendar year or applicable portion thereof exceed the Base Rental, Sublessor shall retain an amount equal to such Base Rental and Sublessee shall receive all Revenues, except as provided below, received in excess of such Base Rental.
 - (iii) As to all mileage revenues earned, Sublessor shall retain an amount equal to fifty (50) percent of all such revenues and Sublessee shall receive the remaining fifty (50) percent of all such revenues.
- D. The calculations required in Subsection 7.C. shall be made within five (5) months after the end of each calendar year ("Final Calculations"). In order that Sublessor may meet its financial commitments, Sublessee shall pay to Sublessor by the seventy-fifth (75th) day after the end of each Service Month (as hereinafter defined), eighty (80) percent of the total Revenues for such Service Month. For the purposes hereof, Service Month shall be defined as the calendar month in which Revenues were actually earned. At the time payment of eighty (80) percent of the total Revenues is made to Sublessor, Sublessee shall report to Sublessor for the same month, the hours earned, miles traveled and dollar figure for one hundred percent (100%) of the Revenues. Ten (10) percent of the Revenues shall be remitted to Sublessor within one hundred five (105) days after the end of each Service Month and the remaining ten (10) percent of the total Revenues shall be remitted to Sublessor within one hundred thirty-five (135) days after the end of each Service Month. Sublessor shall within three (3) months after the end of each calendar quarter, calculate on a quarterly year-to-date basis, the approximate amount, if any, due either party pursuant to this Section. Any amounts payable pursuant to the preceding sentence shall be paid promptly following such calculations, provided, however, that within twenty (20) days following the Final Calculation, any amount paid to either party in excess of the amounts required shall be refunded to the appropriate party.
- E. If, with respect to any calendar quarter, Revenues are less than the Base Rental, Sublessor may, at any time, at its option and upon not less than ten (10) days prior written notice to Sublessee, terminate this Sublease as to such Cars as Sublessor shall determine; provided, however, that

Sublessee may, at its option, within ten (10) days of receipt of such notice from Sublessor, void such termination notice by paying to Sublessor an amount equal to the difference between actual Revenues for such calendar quarter and the applicable Base Rental for such calendar quarter.

- F. If, subsequent to the Initial Loading, any Car remains on Sublessee's railroad tracks for more than seven (7) consecutive days, excluding those days such Car is undergoing servicing, repair or alteration as provided for in Section 5 unless such servicing, repair or alteration was occasioned by the fault of Sublessee, Sublessor may, at its option and upon not less than twenty-four (24) hours prior written notice, terminate this Sublease as to such Car and take possession of such Car on Sublessee's railroad tracks. If any such Car has remained on Sublessee's railroad tracks for more than seven (7) consecutive days because Sublessee has not given preference to the Cars as specified in Subsection 3.B., Sublessee shall be liable for and remit to Sublessor an amount equal to the Revenues which would have been generated if such Car had been in the physical possession and use of another railroad for the entire period during which such Car is on Sublessee's railroad line.
- G. In the event damage beyond repair or destruction of a Car has been reported in accordance with Rule 107 of the AAR Field Manual of the Interchange Rules and Rule 7 of the AAR Code of Car Hire Rules and Interpretations-Freight, said destroyed Car will be removed from the rental calculations of this Sublease on the date car hire ceased as set forth in the aforementioned Rule 7. Sublessor may, at its expense, replace any destroyed Car with similar equipment upon prior written notice from Sublessor to Sublessee.
- H. In the event the Interstate Commerce Commission issues an order which eliminates, reduces, or modifies mandatory per diem and mileage payments to the boxcar owner by the boxcar user for its use of such boxcars, as currently established, Sublessor may, at its option, terminate this Sublease.

8. Possession and Use

- A. So long as Sublessee shall not be in default under this Sublease, Sublessee shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Sublease and in the manner and to the extent the Cars are customarily used in the railroad freight business as set forth in Subsection 8.B. However, Sublessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into by Itel Rail in connection with the acquisition of the Cars which are the subject of this Sublease. Accordingly, following notice to Sublessee from any such secured party or owner that an event of default has occurred at any time (including at a time prior to the effective date of this Sublease), and is continuing under such financing agreement, such party may require either or both that rentals and other sums due hereunder shall be paid directly to such party, and

that the Cars immediately be returned to such party. Sublessee agrees that to the extent it has physical possession and can control use of the Cars, the Cars shall at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same are operated and in which the same may be located and in compliance with all lawful acts, rules and regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either Sublessor or Sublessee may in good faith and by appropriate proceedings, contest the application of any such act, rule, regulation or order in any reasonable manner at the expense of the contesting party.

- B. The use of the Cars shall be limited to use by a rail common carrier and the Cars shall always bear the reporting marks of a rail common carrier. During the term of this Sublease, the Cars shall at all times be registered in the Official Railway Equipment Register and the UMLER.
- C. Sublessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim arising through it, on, or with respect to the Cars, or any interest therein or in this Sublease or Schedule thereto. Sublessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim if the same shall arise at any time.

9. Default

- A. The occurrence of any of the following events shall be an event of default:
 - (i) The nonpayment by Sublessee of any sum required herein to be paid by Sublessee within ten (10) days after the date any such payment is due;
 - (ii) The breach by Sublessee of any other term, covenant, or condition of this Sublease, which is not cured within ten (10) days thereafter;
 - (iii) The filing by or against the Sublessee of any petition or the initiation by or against the Sublessee of any proceeding: (a) for any relief which includes, or might result in, any modification of the obligations of the Sublessee hereunder; or (b) under any bankruptcy, reorganization, insolvency, moratorium or other laws relating to the relief of debtors, the readjustment of indebtedness, financial reorganization, arrangements with creditors, compositions of indebtedness, or extensions of indebtedness.
 - (iv) The subjection of any of Sublessee's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency.
 - (v) Any action by Sublessee to discontinue rail service on all or a portion of its track or abandon any of its rail properties pursuant to applicable provisions of the Interstate Commerce Act or the laws of any state.

- B. Upon the occurrence of any event of default hereunder, without limiting Sublessor's rights and remedies otherwise provided by law which shall be available to Sublessor in addition to the following rights and remedies (no right or remedy of Sublessor being exclusive but all such rights and remedies being available at all times to Sublessor and Sublessee in any case being entitled to recover all costs, expenses and attorneys' fees incurred by Sublessor in enforcing its rights and remedies hereunder), Sublessor may, at its option, terminate this Sublease and/or may
- (i) Proceed by any lawful means to enforce performance by Sublessee of this Sublease or to recover damages for a breach thereof, and/or
 - (ii) By notice in writing to Sublessee, terminate Sublessee's right of possession and use of the Cars, whereupon all right and interest of Sublessee in the Cars shall terminate; and thereupon Sublessor may enter upon any premises where the Cars may be located and take possession of the Cars and henceforth hold, possess and enjoy the same free from any right of Sublessee. Sublessor shall, in addition, have the right to recover from Sublessee any and all rental amounts which under the terms of this Sublease may then be due or which may have accrued to that date, together with Sublessor's costs and expenses, including reasonable attorneys' fees incurred in securing such enforcement hereof.

10. Expiration or Early Termination

A. Event of Expiration

Upon the expiration of this Sublease with respect to any Car, Sublessee shall promptly return such Car to Sublessor as follows:

- (i) If some or all of the Cars are to be delivered to Sublessor at Sublessee's railroad tracks, Sublessor shall be responsible for any transportation costs incurred in moving such Cars to the Sublessee's railroad tracks subsequent to the time of expiration. Sublessee shall, at Sublessor's option, provide, with respect to any Car described on each Schedule which is either on the Sublessee's railroad tracks at the time of expiration or is subsequently returned to Sublessee's railroad, up to one hundred twenty (120) days free storage on its railroad tracks from either the date of expiration or the date the last Car on such Schedule is returned to Sublessee's railroad line subsequent to the time of expiration, whichever date occurs later. At the option of Sublessor, either Sublessee or a contractor chosen by Sublessor shall at Sublessee's expense, restencil the Cars as set forth in Subsection 10.C. of this Sublease. Sublessee shall not remove Sublessee's railroad marks from any Car without the prior written consent of Sublessor. After restencilling, Sublessee shall, at Sublessor's option, use its best efforts to load the Cars with freight and deliver them to a connecting carrier for shipment.

- (ii) If some or all of the Cars are to be delivered to Sublessor at a location other than Sublessee's tracks, the cost of assembling, delivering, storing, and transporting each Car to such location shall be borne by Sublessor. Sublessee shall bear the expense of repainting and restencilling the Cars.

B. Event of Early Termination

Upon the early termination of this Sublease with respect to any Car, whether pursuant to Section 9 or Subsection 7.E. or Subsection 7.F. hereof, Sublessee shall promptly return such Car to Sublessor as follows:

- (i) If some or all of the Cars are to be delivered to Sublessor at Sublessee's railroad tracks, Sublessee shall be responsible for any transportation costs incurred in moving such Cars to the Sublessee's railroad tracks subsequent to the time of early termination. Sublessee shall, at Sublessor's option, provide, with respect to any Car described on each Schedule which is either on the Sublessee's railroad tracks at the time of early termination or is subsequently returned to Sublessee's railroad, up to one hundred twenty (120) days free storage on its railroad tracks from either the date of early termination or the date the last Car on such Schedule is returned to Sublessee's railroad line subsequent to the time of early termination whichever date occurs later. At the option of Sublessor, either Sublessee or contractor chosen by Sublessor shall at Sublessee's expense, restencil the Cars as set forth in Subsection 10.C. of this Sublease. Sublessee shall not remove Sublessee's railroad marks from any Car without the prior written consent of Sublessor. After repainting and restencilling, Sublessee shall, at Sublessor's option, use its best efforts to load the Cars with freight and deliver them to a connecting carrier for shipment.
- (ii) If some or all of the Cars are to be delivered to Sublessor at a location other than Sublessee's tracks, the cost of assembling, delivering, storing, and transporting each Car to such location shall be borne by Sublessee. Sublessee shall bear the expense of repainting and restencilling the Cars.

- C. Restencilling, with respect to each Car, shall include the following: (i) removal of existing mandatory markings and all company logos of Sublessee; (ii) complete cleaning subsequent to the removal of markings and company logos as designated by Sublessor; (iii) application of new mandatory markings and company logos; and (iv) any transportation involved in moving each Car to and from a suitable work area to perform the restencilling set forth in this Section.

II. Indemnities

- A. LESSEE SHALL DEFEND, INDEMNIFY AND HOLD LESSOR HARMLESS FROM AND AGAINST ANY LOSS, DAMAGE, DESTRUCTION OR LIABILITY WITH RESPECT TO THE CARS WHICH IS OCCASIONED BY THE FAULT OF LESSEE, OR WHICH OCCURS WHILE THE CARS ARE IN LESSEE'S POSSESSION OR CONTROL, OR IN THOSE INSTANCES IN WHICH THE INTERCHANGE RULES WOULD ASSIGN RESPONSIBILITY FOR SUCH LOSS, DAMAGE, DESTRUCTION, OR LIABILITY TO LESSEE.

- B. SUBJECT TO SUBSECTION 11.A., AND EXCEPT FOR THOSE CLAIMS, CAUSES OF ACTION, DAMAGES, LIABILITIES, COSTS OR EXPENSES FOR WHICH LESSEE SHALL BE RESPONSIBLE AS SET FORTH HEREIN, LESSOR WILL DEFEND, INDEMNIFY AND HOLD LESSEE HARMLESS AGAINST ANY AND ALL LOSS, DAMAGE OR DESTRUCTION OF OR TO THE CARS, USUAL WEAR AND TEAR EXCEPTED, AND ANY CLAIM, CAUSE OF ACTION, DAMAGE, LIABILITY, COST OR EXPENSE WHICH MAY BE ASSERTED AGAINST LESSEE WITH RESPECT TO THE CARS, INCLUDING WITHOUT LIMITATION, THE LEASING OR RETURN OF THE CARS, USE, MAINTENANCE, REPAIR, REPLACEMENT OR OPERATION OF THE CARS OR THE CONDITION OF THE CARS (WHETHER DEFECTS, IF ANY, ARE LATENT OR ARE DISCOVERABLE BY LESSOR OR LESSEE).

12. Representations, Warranties and Covenants

Sublessee represents, warrants and covenants that:

- A. Sublessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power, authority and, insofar as is material to Sublessor's rights under this Sublease, is duly qualified and authorized to do business wherever necessary, to carry out its present business and operations and to own or hold under lease its properties and to perform its obligations under this Sublease.
- B. The entering into and performance of this Sublease will not violate any judgment, order, law or regulation applicable to Sublessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Sublessee or on the Cars pursuant to any instrument to which Sublessee is a party or by which it or its assets may be bound.
- C. There is no action or proceeding pending or threatened against Sublessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Sublessee such that Sublessee's ability to perform its obligations hereunder would be materially and adversely affected.
- D. There is no fact which Sublessee has not disclosed to Sublessor in writing, nor is Sublessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Sublessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of the Sublessee or the ability of the Sublessee to perform its obligation under this Sublease.

13. Inspection

Sublessor shall at any time during normal business hours have the right to enter the premises where the Cars may be located for the purpose of inspecting and examining the Cars to insure Sublessee's compliance with its obligations hereunder.

14. Miscellaneous

- A. This Sublease and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, provided, however, that Sublessee may not without the prior written consent of Sublessor, assign this Sublease or any of its rights hereunder or sublease any Cars to any party, and any purported assignment or sublease in violation hereof shall be void.
- B. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of any financing agreement entered into by Sublessor or its assignees in connection with the acquisition or financing or use of the Cars in order to confirm the financing parties' interest in and to the Cars, this Sublease and Schedules hereto and to confirm the subordination provisions contained in Section 9 of this Sublease.
- C. It is expressly understood and agreed by the parties hereto that this Sublease constitutes a sublease of the Cars only and no joint sale or venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Sublessee any right, title or interest in the Cars, except as a Sublessee only.
- D. No failure or delay by Sublessor shall constitute a waiver or otherwise affect or impair any right, power or remedy available to Sublessor nor shall any waiver or indulgence by Sublessor or any partial or single exercise of any right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.
- E. This Sublease shall be governed by and construed according to the laws of the State of California.
- F. Sublessee shall notify Sublessor as soon as is practicable of any accident connected with the malfunctioning or operation of the Cars, including in such report, where available, the time, place and nature of the accident and the damage caused.
- G. Sublessee shall also notify Sublessor in writing within five (5) days after any attachment, tax lien or other judicial process shall attach to any Car. Sublessee shall furnish to Sublessor promptly upon its becoming available, a copy of its annual report submitted to the ICC and, when requested, copies of any other income or balance sheet statements required to be submitted to the ICC.
- H. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the president of the other party at the address set forth herein.

- I. The obligations and liabilities of Sublessor and Sublessee hereunder shall survive the expiration or early termination of this Sublease.
- J. This Sublease represents the entire Sublease. This Sublease shall not be modified, altered, or amended, except by an agreement in writing signed by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the date first above written.

EAST CAMDEN AND HIGHLAND,
RAILROAD COMPANY

By: *Ann E. Hunt*

Title: EXE. VICE-PRESIDENT

Date: NOVEMBER 1, 1983

GREEN BAY AND WESTERN
RAILROAD COMPANY

By: *Stephen V. Seel*

Title: President

Date: 11-9-83

ACKNOWLEDGEMENT AND CONSENT:

[Signature]
Itel Rail Corporation

Date: 11/14/83

STATE OF ARKANSAS)
COUNTY OF OUACHITA) ss:

On this 1st day of NOVEMBER, 1983, before me personally appeared DON E. GHENT, to me personally known, who being by me duly sworn says that such person is EXE.V.P. of East Camden and Highland Railroad Company, that the foregoing Sublease Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

MY COMMISSION EXPIRES 11-15-84

Sarah G. Derrick
Notary Public

STATE OF Wisconsin)
COUNTY OF Brown) ss:

On this 10th day of November, 1983, before me personally appeared Stephen P. Selby, to me personally known, who being by me duly sworn says that such person is President of Green Bay and Western Railroad Company, that the foregoing Lease Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Robert L. Goethe
Notary Public

Robert L. Goethe
Notary Public State of Wisconsin
My Commission Expires Feb. 23, 1988

EQUIPMENT SCHEDULE NO. 1

East Camden and Highland Railroad Company hereby subleases the following Cars to Green Bay and Western Railroad Company subject to the terms and conditions of that certain Sublease Agreement dated as of October 6, 1983.

| A.A.R. Mech. Desig. | Description | Numbers | Length | Dimensions | | Doors | No. of Cars |
|---------------------------|--|---------------------|--------|-----------------|--------|----------|-------------------|
| | | | | Inside Width | Height | Width | |
| XM | 50' General Purpose Boxcar, Plate C, End of Car Cushioning Nailable Steel Floors, 100-Ton Trucks | GBW 10050- 10099 | 50'6" | 9'6" | 11'1" | 12' Plug | 50 |

EAST CAMDEN AND HIGHLAND
RAILROAD COMPANY

BY: Alon E. Hunt

TITLE: EXE. VICE-PRESIDENT

DATE: NOVEMBER 1, 1983

GREEN BAY AND WESTERN
RAILROAD COMPANY

BY: Stephen B. Seer

TITLE: President

DATE: 11-9-83

STATE OF ARKANSAS)
COUNTY OF OUACHITA) ss:

On this 1st day of NOVEMBER, 1983, before me personally appeared DON E. GHENT to me personally known, who being by me duly sworn says that such person is EXE. V.P. of East Camden and Highland Railroad Company, that the foregoing Equipment Schedule No. 1 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

MY COMMISSION EXPIRES 11-15-84
Sarah G. Derrick
Notary Public

STATE OF Wisconsin)
COUNTY OF Brown) ss:

On this 10th day of November, 1983, before me personally appeared Stephen P. Selby, to me personally known, who being by me duly sworn says that such person is President of Green Bay and Western Railroad Company, that the foregoing Equipment Schedule No. 1 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Robert L. Goethe
Notary Public
Robert L. Goethe
Notary Public State of Wisconsin
My Commission Expires Feb. 23, 1985